

Message Text

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FM AMEMBASSY ABU DHABI

TO USDOC WASHDC

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E.O. 11652: N/A

TAGS : BTIO, TC

SUBJECT : INVESTMENT OPPORTUNITIES IN ABU DHABI IN CONTRACTING,
BANKING, AND SHIPPING

DECONTROL UPON RECEIPT

1. SUMMARY. EMBASSY HAS BEEN APPROACHED BY ZAFRAH GENERAL ENTERPRISES CO. OF ABU DHABI FOR ASSISTANCE IN LOCATING AMERICAN FIRMS INTERESTED IN ENTERING JOINT VENTURES IN ABU DHABI. OWNERS OF ZAFRAH, ALL ABU DHABI CITIZENS, ARE WEALTHY AND POLITICALLY WELL LSCONNECTED. THEY ARE SEEKING JOINT VENTURE PARTNERS IN CONTRACTING, BANKING, AND SHIPPING. END SUMMARY.

2. ZAFRAH GENERAL ENTERPRISES CO. (P.O. BOX 487, ABU DHABI, UAE) WAS ESTABLISHED IN EARLY 1974 BY PERSONAL DECREE OF ABU DHABI RULER SHAIKH ZAYID TO ENGAGE PRIMARILY IN THE CONTRACTING BUSINESS. TO DATE COMPANY HAS ONLY HAD ONE SIGNIFICANT CONTRACT--EARTHMOVING ON DELMA ISLAND WORTH APPROX DOLLARS TWO MILLION.

3. ALL THREE OWNERS OF ZAFRAH VERY WELL CONNECTED WITH RULING FAMILY. EMBASSY HAS CONFIRMED WITH BANK THAT OWNERS CONTROL GREAT PERSONAL WEALTH. OWNERS ARE:

A. DR. KHALID FARRAH, MANAGING PARTNER, FORMERLY SUDANESE, IS NOW ABU DHABI CITIZEN. FARRAH IS MEDICAL DOCTOR GRADUATED FROM YUGOSLAV UNIVERSITY, AND BROTHER OF LEGAL COUNSELOR OF SHAIKH ZAYID.

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B. HAMAD BIN SUHAIL, SILENT PARTNER, IS ABU DHABI CITIZEN AND

BROTHER-IN-LAW OF SHAIKH ZAYID. USUALLY ACCOMPANIES ZAYID AT OFFICIAL GOVERNMENT FUNCTIONS.

C. MOZAFAR BIN MOHAMMED, SILENT PARTNER, IS ABU DHABI CITIZEN AND UNCLE OF HAMAD BIN SUHAIL.

4. ZAFRAH REQUESTED ASSISTANCE FROM EMBASSY IN THREE AREAS:

A. CONTRACTING -- OWNERS OF ZAFRAH WANT TO GREATLY EXPAND CONTRACTING

ACTIVITIES AND BELIEVES THIS

CAN BEST BE DONE BY ENTERING

INTO JOINT VENTURES. ZAFRAH WANTS TO BID IN JOINT VENTURE WITH MAJOR FOREIGN CONTRACTOR ON MILITARY VILLAGE TO BE CONSTRUCTED BY ABU DHABI DEFENSE FORCE AND NEW INTERNATIONAL AIRPORT TO BE BUILT BY ABU DHABI DEPT OF PUBLIC WORKS.

B. BANKING -- OWNERS OF ZAFRAH WANT TO ESTABLISH A BANK IN ABU DHABI. THREE ZAFRAH PARTNERS CAN FURNISH FROM PERSONAL ASSETS 80 PER CENT LOCAL CAPITALIZATION REQUIRED BY LAW. CLAIM LOCAL PARTICIPATION IN LEAGUE OF FIVE MILLION DIRHAMS "NO PROBLEM".

CLAIM ALSO MADE THAT DUE TO PERSONAL INFLUENCE IN INNER CIRCLE OF RULING FAMILY CURRENT FREEZE ON CREATION OF NEW BANKS WILL PRESENT NO PROBLEM, AND THAT LARGE GOVERNMENT DEPOSITS CAN BE DIRECTED TO NEW BANK.

C. SHIPPING -- OWNERS OF ZAFRAH WANT TO BUILD ONE OR MORE SHIPS AND ESTABLISH A TRANSPORT COMPANY.

5. AT PRESENT TIME MANAGING PARTNER FARAH IS IN EUROPE DISCUSSING IDEAS WITH SWISS BANK AND BRITISH SHIPPING COMPANY, BUT WANTS TO TALK TO INTERESTED FIRMS IN US BEFORE FORMALLY COMMITTING ZAFRAH. ZAFRAH HAS OFFERED TO MEET WITH INTERESTED US FIRMS ANYWHERE IN WORLD.

6. EMBASSY BELIEVES ZAFRAH OWNERS ARE SERIOUS INDIVIDUALS WHO CAN PROVIDE INTERESTED US FIRMS EXCELLENT ACCESS TO HIGHEST LEVEL OF ABU DHABI GOVERNMENT. GIVEN TWO-YEAR FREEZE ON ESTABLISHMENT OF NEW BANKS IN EFFECT SINCE MID-1975 THIS IS RARE OPPORTUNITY FOR US BANK TO BREAK INTO UAE. DURING RECENT NEW YORK CONSULTATIONS OF AMBASSADOR TWO BANKS WHICH ARE NOT NOW OPERATING HERE

EXPRESSED SPECIAL INTEREST IN ABU DHABI. THESE WERE MANUFACTURERS HANOVER TRUST (VICE PRES. BRUCE F. HENDERSON, 212-350-3657) AND LIMITED OFFICIAL USE

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CHEMICAL BANK (VICE PRES. WILLIAM TURNER, 212-770-2888).

7. EMBASSY REQUESTS USDOC TO CONTACT POTENTIAL JOINT VENTURE PARTNERS FOR ZAFRAH IN EACH OF THE THREE AREAS SPECIFIED. PLEASE INCLUDE MANUFACTURERS HANOVER AND CHEMICAL IN YOUR BANK CONTACTS.

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